lying the bill and the system to be put into effect remain the same.

A slight change was also made to-night in the phraseology of that section of the bill relating to the retirement of the 2 per cent. bonds now used as a basis of circulation for a national bank currency. It was learned, however, that this change did not affect the general purpose or plan of the bill as originally agreed upon.

Introduction on Monday.

Present indications are that the measure will be introduced on Monday and that on the same day Mr. Wilson will deliver in person his message urging the enactment of the measure into law before the current session comes to an end.

In the meantime there is turmoil in Congress over the question, and opposition to many features is growing.

It is apparent that Chairman Glass will have a good deal of difficulty in getting a report on the so-called Administration bill from the House Committee on Banking and Currency. The flag of revolt has been already run up by Representatives Eagle of Texas, Nealey of Kansas and Ragsdale of South Carolina. Democratic members of the committee who have not been consulted in the framing of the bill that is now under discussion. Other Democrats are said to disapprove the Glass-Owen bill in so far as they understand its terms, and fear is expressed that a combination may be effected in committee with the Republicans that may delay action on the measure.

Things have reached such a pass that the party leaders in Congress are gloomy over the situation. Opposed at the very start to any attempt to pass such legislation at this session, they now fear that it will be impossible to put through a bill even though the Administration exerts all its influence to attain the end.

Here is a summary of the currency bill:

Provisions of the Bill.

The Administration bill provides that within sixty days after the passage of the bill the Secretary of the Treasury, the Attorney-General and the Comptroller of the Currency, acting as a reserve bank organization committee, shall divide the United States into not less than twelve districts, each district to contain a Federal reserve city.

The districts are to be apportioned with due regard to the convenience and course of business of the communities and will not necessarily coincide with the area of the States. The districts may be readjusted by the Federal reserve board created by the act. This readjustment may be brought about upon a joint application of not less than ten national banks situated within any one of the existing districts.

In each Federal reserve city the organization committee shall organize a Federal reserve bank. Every Federal reserve bank shall have a paid up and unimpaired capital at the time of beginning business of not less than $5,000,000. To make up this capital every national bank located within a given district is required to subscribe to the capital stock of the reserve bank of that district in a sum equal to 20 per cent. of its own unimpaired capital.

Subscribers Subject to Call.

One-half of such subscription is to be paid in under terms and conditions prescribed by the national banking act, with reference to subscriptions to the stock of national banking associations. The remainder of the subscription or any part thereof is to be a liability of the subscribers subject to call and payment whenever necessary to meet the obligations of the Federal reserve bank.

An appropriation of $50,000 is contained in the bill to pay all expenses of the organization committee in the establishment of the Federal reserve banks.

Section 3 of the bill prescribes that the capital stock of each Federal reserve bank shall be divided into shares of $100. The outstanding capital stock shall be increased from time to time as subscribing banks increase their capital or as additional banks become subscribers, and decrease as subscribing banks reduce their capital or leave the organization.

Each Federal reserve bank is authorized to establish branch offices under the regulation of the Federal reserve board in the district in which it is located. The total number of these branches in any district shall not, however, exceed one for each $500,000 of the capital stock of the Federal reserve banks in that district.

Banks Must Incorporate.

Section 4 of the bill requires the Federal reserve banks to become incorporated and provides that they shall have succession for a period of twenty-five years in their organization unless dissolved sooner by act of Congress.

Every Federal reserve bank is to be organized and conducted under the oversight and control of a board of directors, whose powers shall be the same as those conferred upon directors of a national banking association under existing law. There are to be nine of these directors for each Federal reserve bank and they are to hold office for three years. Three of these directors are to be chosen and are to be representative of the stock holding banks; three shall be "fairly representative of the commercial, agricultural and industrial interests of the district," and three members shall be designated by the Federal reserve board.

The three directors representing the stockholding banks are to be chosen in the following manner: The chairman of the board of directors of the Federal reserve bank of the district will classify the membership banks of the district into three groups, each group containing one-third of the aggregate banking capital of the banks holding stock in the Federal reserve bank of the district, and consisting of banks of similar capitalization. Each national bank, at a regularly called directors' meeting, will elect one of its own members as a district reserve elector. From the list of these electors shall be elected by the electors themselves a Federal reserve director, a majority vote being required.

Guard Business Interests.

In the same manner the three representatives of the commercial, agricultural and industrial interests are to be chosen, with the added condition, however, that they shall in no case be connected with any bank or banking association. If it should appear at any time that a director does not fairly represent the commercial, agricultural or industrial interests of his district he may be removed by the Federal reserve board.

The remaining three directors are to be chosen directly by the Federal reserve board, one of whom is to be designated by the board as chairman of the board of directors of the Federal reserve bank. This director is to act as official representative of the Federal reserve board and as Federal reserve agent. He will be paid an annual compensation to be fixed by the Federal reserve board, and will make regular reports to the board.

The three directors of the Federal reserve bank representing the stockholding banks and the three representing the agricultural, commercial and industrial interests of the district are to have their terms expire first in one, two and three year periods, but thereafter every director of a Federal reserve bank is to hold office for three years.

The chairman of the board of directors of each Federal reserve bank will be removable at the pleasure of the Federal reserve board without notice.

Section 5 of the bill prohibits the transfer or hypothecation of any shares of the capital stock of the Federal reserve banks. In case the subscribing bank increases its capital stock it shall subscribe for an additional amount of capital stock of the Federal reserve bank of its district in an amount equal to 20 per cent. of the bank's own increase. It shall pay for this stock at the book value of the shares of the reserve bank.

Disposal of Reserve Earnings.

Under section 7 the earnings of each Federal reserve bank are disposed of as follows:

"After the payment of all expenses and taxes the shareholders shall be entitled to receive an annual dividend of 5 per centum on the paid in capital, which dividend shall be cumulative. One-half the net earnings shall be paid into the surplus fund until said fund shall amount to 20 per centum of the paid in capital of such bank, and the remaining one-half shall be paid to the United States, and whenever and so long as the surplus fund of such Federal reserve bank amounts to 20 per centum of the paid in capital and the shareholders shall have received the dividends at the rate of 5 per centum per annum herein provided for all excess earnings shall be paid to the United States."

The bill provides that every Federal reserve bank shall be exempt from Federal, State and local taxation, except in respect to taxes upon real estate.

Section 8 of the bill provides that any national banking association heretofore organized may within one year from the passage of the act and with the approval of the Federal reserve board be granted all the rights and be subject to all the liabilities of national banking associations organized subsequent to the passage of the act. Any national banking association failing to organize under the act within one year after its passage will be dissolved.

Unimpaired Capital Necessary.

Any bank or banking association incorporated by any State having sufficient unimpaired capital may become a national banking association.

Also, any State bank or trust company incorporated by the State may with the approval of the Federal reserve board become a stockholder of the Federal reserve bank of the district in which it is located. The Federal reserve board is empowered to reject or allow such a request at its discretion. In such a case the State bank shall be subject to the rules and regulations provided for national banks. Failure of the State institution to comply with the provisions of the act will lead to a demand by the Federal reserve board of the surrender of its stock in the Federal reserve bank and a cancellation and retirement of its shares.

The makeup of the important Federal Reserve Board is provided in section 9 of the bill. It is to consist of nine members, including the Secretary of the Treasury, the Secretary of Agriculture and the Comptroller of the Currency, who shall be members ex officio. Three members are to be chosen by the President of the United States, by and with the consent of the Senate, for a term of six years, and three members are to be chosen by electors of the Federal reserve banks. Of the three members of the Federal Reserve Board appointed by the President one is to be designated as governor, one as vice-governor and one as secretary of the Federal Reserve Board.

The Electors' Duty.

The directors of each Federal reserve bank shall choose one elector for the selection of the representatives of the reserve bank in the Federal Reserve Board. The said electors shall, upon call of the Secretary of the Treasury, choose by ballot the three members of the Federal Reserve Board aforesaid, no two of such members to be residents of the same Federal reserve district. Of the members first chosen one shall be elected for a term of two years, one for four years and one for six years. Thereafter each such member shall be chosen for a term of six years. The Governor of the Federal Reserve Board, subject to the supervision of the Secretary of the Treasury and of the board, shall be the active managing officer of the Federal Reserve Board. He shall be subject to removal by the President upon a statement of the reasons for such removal.

The first meeting of the Federal Reserve Board shall be held in Washington immediately after the organization of Federal banks. No member of the board shall have any banking connections. The Secretary of the Treasury is to be chairman of the Federal Reserve Board. The office of Comptroller of the Currency is continued.

Section 12 empowers the Federal Reserve Board:

"(a) To examine at its discretion the accounts and books of each Federal reserve bank and to require such statements and reports as it deems necessary.

"(b) To require or on application to permit a Federal reserve bank to rediscount the paper of any other Federal reserve bank.

"(c) To establish each week, or as much oftener as required, a rate of discount which shall be mandatory upon each Federal reserve bank and for each class of paper; provided, that said rate of discount need not be uniform for all Federal reserve banks, but shall be made with a view to accommodating the commerce of the country and promoting a stable price level.

Suspension Rights.

"(d) To suspend for a period not exceeding thirty days (and to renew such suspension for periods not to exceed fifteen days) any and every reserve requirement specified in this act.

"(e) To supervise and regulate the issue of treasury notes to Federal reserve banks.

"(f) To add to the number of cities classified as reserves and central reserve cities under existing law in which national banking associations are subject to the reserve requirements set forth in section 21 of this act; or to reclassify existing reserve and central reserve cities and to designate the banks therein situated as country banks in its discretion.

"(g) To require the removal of officials of Federal reserve banks for incompetency, dereliction of duty, fraud or deceit.

"(h) To require the writing off of doubtful or worthless assets upon the books and balance sheets of Federal reserve banks.

"(i) To suspend further operations of any Federal reserve bank and appoint a receiver therefor.

"(j) To perform the duties, functions or services specified or implied in this act."

Discounts Permitted.

Section 13 permits any Federal reserve bank to receive from any of its stockholders deposits of current funds in lawful money, national bank notes, Federal reserve notes or checks and drafts upon solvent banks, domestic or foreign. This section says:

"Upon the indorsement of any member bank any Federal reserve bank may discount notes and bills of exchange arising out of commercial transactions, that is notes and bills of exchange issued or drawn for agricultural, industrial or commercial purposes, the Federal reserve board to have the right to determine or define the character of the paper thus eligible for discount within the meaning of this act; but such definition shall not include notes or bills issued or drawn for the purpose of carrying or trading in stocks, bonds or other investment securities, except notes or bills having a maturity of not exceeding four months and secured by United States bonds or bonds issued by any State, county or municipality of the United States. Notes and bills admitted to discount under the terms of this paragraph must have a maturity of not more than twenty-five days.

"Upon the indorsement of any member bank any Federal reserve bank may discount the paper of the classes hereinbefore described having a maturity of more than forty-five and not more than 120 days when its own cash reserve exceeds 33 1-3 per cent. of its total outstanding demand liabilities; but not more than 50 per cent. of the total paper so discounted for any depositing bank shall have a maturity of more than sixty days.

Limited to One-tenth Capital.

"Upon the indorsement of any bank having a deposit with it any Federal reserve bank may discount acceptances of depositing banks which are based on the importation or exportation of goods or travellers' credit and which mature at not later than ninety days and bear the signature of at least one member bank in addition to that of the acceptor. The aggregate of such notes and bills bearing the signature or indorsement of any one person, company, firm or corporation rediscounted for any one bank shall at no time exceed 10 per centum of the unimpaired capital and surplus of said bank.

"Any national bank may at its discretion accept drafts or bills of exchange drawn upon it having not more than four months to run and growing out of the transactions involving the importation or exportation of goods or the issue of travellers' letters of credit, but no bank shall accept such bills to an amount equal in the aggregate to more than one-half of the face value of its paid up and unimpaired capital."

Under section 14 the Federal reserve board upon the application of not less than ten national banks in one district may authorize the reserve bank of the district to discount the direct obligations of member banks secured by the pledge and deposit of satisfactory securities, but in no case shall the amount so loaned exceed three-fourths of the actual value of the securities so pledged or one-half the amount of the paid up capital of the member bank.

Purchase of Bills.

Under section 15 any Federal reserve bank may under regulations prescribed by the Federal reserve board purchase in the open market bankers' bills and bills of exchange of the kinds and maturities made eligible for rediscount.

Every Federal reserve bank shall have power to deal in gold coin and bullion, to make loans thereon and to contract for loans of gold coin or bullion, giving therefor, when necessary, acceptable security, including United States bonds; to invest in United States bonds and in short time obligations of the United States or its dependencies, or of any State or foreign Government; to purchase from member banks and to sell checks or bills of exchange arising out of commercial transactions payable in foreign countries, and with the consent of the Federal reserve board to open and maintain banking accounts with foreign countries and establish agencies in such countries for the purpose of purchasing, selling and collecting foreign bills of exchange, and to buy and sell checks or prime foreign bills of exchange arising out of commercial transactions which have not exceeding ninety days to run and which bear the signatures of two or more responsible parties.

Under section 16 all moneys in the general fund of the Treasury shall be deposited in Federal reserve banks, which shall act as fiscal agents of the United States, and thereafter the revenues of the Government shall be regularly deposited in such banks and disbursement shall be made by checks drawn against such deposit. The Secretary of the Treasury may charge interest on the deposits, but no Federal reserve bank shall pay interest on any deposits except those of the United States. The Government and the banks shall be the only depositors in reserve banks.

$500,000,000 Treasury Issue.

Section 17 of the bill authorizes the issuing of Federal reserve treasury notes not to exceed $500,000,000, plus an amount equal to the amount of national bank notes which may from time to time be retired under the provisions of the act. The notes shall be issued at the discretion of the Federal reserve board and shall purport on their face the obligations of the United States. The notes shall be issued solely for the purpose of making advances to Federal reserve banks. They shall be receivable for all taxes, customs and other public debts and shall be redeemed in gold on demand at the Treasury Department or any Federal reserve bank. When deposited with such banks for redemption they may be charged off by the bank against the Treasury balances on its books. This section says:

"Any Federal reserve bank may upon vote of its directors, make application to the Federal reserve board through the local Federal reserve agent for such amount of the Treasury notes as it may deem best. Such application shall be accompanied with a tender to the local reserve agent of collateral security to protect the notes for which application is made, equal in amount to the sum of the notes thus applied for. The collateral security thus offered shall be notes and bills accepted for rediscount, and the Federal reserve board shall be authorized at any time to call upon a Federal reserve bank for additional deposits of security."

Banks Must Hold Reserve.

"Whenever any Federal reserve bank," says the bill, "shall pay out or disburse Federal reserve Treasury notes of the issue herein produced, it shall hold in its own vaults gold or lawful money in amount to 33 1-3 per centum of the Treasury notes so paid out by it. The Federal board shall have the power in its discretion to require the Federal reserve banks to maintain on deposit in the Treasury of the United States a sum of gold or lawful money equal to 5 per centum of whatever amount of Federal reserve notes may be issued to them under this act; but such 5 per centum shall be counted and included as part of the 33 1-3 per centum reserve herein before required. It shall also have the right to grant in whole or part, or to reject entirely, application of any Federal reserve bank for Federal reserve Treasury notes.

"But to the extent and in the amount that such application may be granted, the Federal reserve board shall through its local Federal agent, deposit Treasury notes with the bank so applying and such bank shall be charged with the amount of such notes and shall pay such rate of interest, or said amount as may be established by the Federal reserve board, and the amount of such Treasury notes so issued to any such bank shall upon delivery become a first and paramount lien on all the assets of such bank."

May Reduce Liabilities.

Any Federal reserve bank may at any time reduce its liabilities for outstanding Federal reserve notes by the deposit of Federal reserve notes whether issued to such bank or to some other member bank, other lawful money of the United States, or gold bullion, and such reduction shall be accompanied by a corresponding reduction in the reserve fund of lawful money set apart for the redemption of said notes and by the release of a corresponding amount of the collateral security deposited with the local Federal reserve agent.

Provision is made for an exchange of collateral of equal value with that deposited originally for the protection of Federal reserve notes.

"It shall be the duty of every Federal reserve bank," says the bill, "to receive on deposit at par and without charge for exchange or collection checks and drafts drawn by any of its depositors upon any other depositor and checks and drafts drawn by any depositor in any other Federal reserve bank upon funds to the credit of said depositor in said reserve bank last mentioned."

The Federal reserve board shall promulgate regulations governing the transfer of funds at par among Federal reserve banks, and may exercise the functions of a clearing house for such Federal reserve banks, and may also require each such bank to exercise the functions of a clearing house for its shareholding banks.

Limit on Issue of Notes.

Section 18 provides that no national banking association shall receive or issue circulating notes in excess of the total amount of such notes which such bank may have outstanding at the time of passage of the act, and no national banking association which may reduce its outstanding circulating notes shall receive or issue circulating notes in excess of the sum to which its outstanding notes shall have been reduced by such withdrawal.

Section 19 provides for the repeal of the law requiring national banking associations before commencing banking business to deliver to the Treasurer of the United States certain amounts of United States registered bonds.

Provision is made in the bill for an exchange in collateral of equal value with that deposited originally for the protection of the Federal reserve notes.

Section 20 of the bill provides for the exchange of the 2 per cent. bonds of the United States bearing a circulation privilege for 3 per cent. bonds of the United States without the circulation privilege. This exchange shall be made upon application to the Secretary of the Treasury. The 3 per cent. bonds given in exchange will be payable twenty years from the date of issue and will be exempt from Federal, State and municipal taxation, both as to income and principal. As the outstanding 2 per cent. bonds are exchanged the power of the national banks to issue circulating notes secured by the United States bonds shall cease.

Every national bank may continue to receive circulating notes, under conditions provided for in this act, but no national bank shall be permitted to issue circulating notes of any description or substitutes therefor. No national bank, without the consent of the Secretary of the Treasury, shall in any one year present 2 per cent. bonds for exchange to amount exceeding 5 per cent. of the total amount of bonds on deposit with the Treasury by said bank at the time of the passage of this act.

Exchange of Bonds.

At the expiration of twenty years every 2 per cent. bond then outstanding shall be exchanged for 3 per cent. bonds of like domination, without the circulation privilege, and all national bank notes then outstanding shall be recalled and redeemed by the national bank that issued the same. Notes still remaining in circulation at the end of a period to be fixed by the Federal reserve board shall be secured by an equal amount of lawful money deposited in the Treasury of the United States by the banking association originally issuing the notes.

Under section 21 every national bank within sixty days after a date to be announced by the Secretary of the Treasury, shall establish with the Federal reserve bank in its district a credit balance on the books of the latter institution equal to not less than 3 per cent. of its own total demand liabilities exclusive of circulating notes, and at the end of fourteen months this amount must be increased to not less than 5 per cent. Such balance may at any time be increased.

After a date fixed by the Secretary of the Treasury national banking associations now classified as country banks and situated outside the central reserve cities must maintain a reserve equal to 15 per cent. of the aggregate amount of their deposits. Such reserve shall consist of 5 per cent. of lawful money held actually in their own States. The remainder of the 15 per cent. reserve may for a period of thirty-six months from and after the date set by the Secretary of the Treasury consist of balances due to a national bank in reserve or central reserve cities, as now defined by the law. From and after the thirty-six months the 15 per cent. reserve required by country banks shall consist either of lawful money in its own vaults or of a balance on deposit with the Federal reserve bank of its district, or both.

Reserve Fund Ordered.

After the date fixed by the Secretary of the Treasury national banks in reserve cities shall maintain for a period of twenty-six months a reserve of 25 per cent. of their outstanding deposit and for twelve months thereafter a reserve of 22½ per cent. and at the end of thirty-eight months and permanently thereafter a reserve of 20 per cent. of their outstanding deposits. After the sixty days from the date set by the Secretary of the Treasury, each national bank in reserve cities shall maintain in its vaults in lawful money a sum equal to 12½ per cent. of its outstanding deposits and thereafter a sum of lawful money equal to 10 per cent. of its deposits.

National banks in central reserve cities for a period of fourteen months shall maintain a reserve in lawful money equal to 25 per cent. of their lawful deposits, and thereafter for a period of twelve months a reserve in lawful money equal to 22½ per cent. of their deposits; after twenty-six months they shall maintain a reserve in lawful money equal to 20 per cent. of their outstanding deposits, and for a period of sixty days after the passage of the act each bank shall maintain in its own vaults in lawful money a sum equal to 20 per cent. of its deposits, and thereafter a sum equal to 10 per cent. of its deposits.

International Banks Hit.

Section 22 repeals the law providing that the fund deposited by international banking associations for the redemption of its notes shall be counted as part of its lawful reserve. After the passage of this act such fund of 5 per cent. shall not be counted by international banking associations as a part of its lawful reserve.

Section 23 requires every Federal reserve bank at all times to have on hand in gold or lawful money not less than 33 1-3 per cent. of its outstanding demand liabilities, which at the same time shall not be less than 33 1-3 per cent. of its outstanding Federal reserve notes.

Section 24 requires an examination of every national banking association at least twice in each calendar year and as much oftener as the Federal reserve board shall consider necessary. Directors must state under oath to the examiner the character and circumstances of its loan and discounts. In addition to the examination made by the Comptroller of the Currency every Federal reserve bank may arrange for examination of the member banks within its district. Every Federal reserve bank shall be bound to furnish to the Federal reserve board information concerning the condition of any national banking association. National banking associations in reserve cities shall be examined not less than four times each year.

Loans to Examiners.

Section 25 forbids any loan or grant of any gratuity to any examiner. Any bank offending shall be fined not more than $1,000, and a further sum equal to the amount so loaned or gratuitously given; and the officer or officers of the bank granting such gratuity shall be fined not to exceed $500. The examiner shall be fined not more than $500 and a further sum equal to the amount of the gratuity and shall be disqualified from holding office as a national bank examiner. No officer or director of any national bank shall receive any consideration for any transaction made by or in behalf of the national bank of which he is such officer or director. The penalty for violation of this provision is a fine not to exceed $5,000 or by three years in prison, or both.

Section 26 makes stockholders of every banking association individually responsible for all contracts, debts and engagements of such association each to the amount of his stock therein.

Section 27 authorizes any national banking association not situated in a reserve city or central reserve city to make loans secured by improved and unencumbered farm lands, but no such loan shall be made for a longer period than nine months or for an amount exceeding 50 per cent. of the amount offered as security. Any such bank may make such loans in an aggregate sum equal to 25 per cent. of its capital and surplus or 50 per cent. of its time deposits.

Section 28 provides that any national banking association possessing a capital of $1,000,000 may, through the Federal reserve board, establish branches in foreign countries for the furtherance of the foreign commerce of the United States and to act as financial agents for the United States.

Section 29, the final section, provides that all laws inconsistent with the provisions of this act are repealed.

BANKERS DISCUSS SCHEME.

Association Appoints Sub-Committee to Make Report.

ATLANTIC CITY, June 18.—Following a session taken up entirely with an informal discussion of the thirty-three questions submitted by the Senate Finance Committee regarding the Administration banking bill, the members of the currency commission of the American Bankers Association adjourned to-day after appointing a sub-committee to compile an answer to the questions. The members of the commission have been unable to secure a copy of the bill.

The sub-committee consists of A. B. Hepburn of New York, J. S. Forgan of Chicago, J. T. Talbert of New York, J. Perrin of Los Angeles and A. Reynolds of Des Moines.

RAILROADS AND THE PEOPLE.

Western Officials Want the Public to Help in Appraisals.

WASHINGTON, June 18.—Representatives of the State railway commissions of the middle West to-day appealed to President Wilson to take steps for securing to the general public a voice in the physical appraisal of the railroads which the Interstate Commerce Commission was ordered to make by a bill Senator La Follette pressed through Congress at the last session. Men who called at the White House to-day to present their views on this subject were John H. Atkinson, chairman of the Missouri commission; Herbert Thorn of the Iowa commission, W. H. Strutsman, chairman of the Board of Railway Commissioners of North Dakota, and Henderson S. Martin of the Kansas commission.

The four men said they could speak for the public service commissions of Illinois, Missouri, North Dakota, Nebraska, Kansas, Oklahoma and South Dakota. They pointed out that at a recent meeting of representatives of the great railway systems of the country President Rea of the Pennsylvania has been authorized to take steps to secure to the railroads the privilege of having counsel when the appraisal of their property is being made. The State commissioners' contention was that the general public has an equal right with the railroads to express its views as the work progresses.

No definite plan for securing to the States the desired representation was advanced at to-day's conference.

GERMANY BALKS AT SAN FRANCISCO FAIR

Wilson and Bryan Through Count von Bernstorff Urge Her Participation.

EUROPE HOLDING BACK

France Only Accepts Invitation—Grievances Include Tariff and Canal Tolls Dispute.

WASHINGTON, June 18.—The significance of the unwillingness of Germany to participate in the Panama Canal exposition at San Francisco in 1915 was recognized by the United States Government to-day when Secretary Bryan conferred with the German Ambassador and through him urged the German Government to join in the celebration.

The Ambassador also called at the White House, where President Wilson made similar representations.

The talk between Mr. Bryan and Count von Bernstorff has brought to a head an unpleasant situation that has for some time been visible beneath the surface at Washington. The conference at the State Department was the first official recognition that has been given the matter, which it is admitted will undoubtedly have a great effect upon the success of the San Francisco exposition.

Up to date France is the only one of the great commercial powers of Europe which has formally accepted the invitation of the United States to participate in the exposition. It is well known that the decision of Germany, the only country in which opposition to the exposition has been openly and vigorously expressed, will have a considerable influence upon other European Governments that have not yet accepted.

On the other hand, Germany is likewise being influenced against the exposition by the fact that some of her strongest neighbors and commercial rivals have not signified any intention of joining in the celebration.

Serious Obstacle to Overcome.

The Germans, including both the Government and the commercial interests, base their unwillingness to participate in the exposition upon such a variety of causes as to form a most serious obstacle for the United States to overcome.

The commercial interests are almost a unit in opposition to the exposition. The iron and steel industries are committed flatly against participation in it. The German leaders in these industries say there have been too many exposition already, that there is no use in spending their money for exhibiting at the San Francisco fair. Other industries take a similar view.

In Government circles it is contended that Germany wants to know what Congress and President Wilson are going to do about the obnoxious Administration provisions in the new tariff bill before the question of taking part in the exposition is decided.

It is declared by the Germans that such provisions in the administrative section of the bill as the valuation clause and the inquisitorial order under which books of foreign corporations are to be open to American officials and others will nullify whatever advantages there might be in the lower rates of the Underwood bill.

The provision for a reduction of 5 per cent. in the rates on all goods brought to the United States in American bottoms is another feature of the tariff bill which has aroused Germany's opposition. This provision, it is held, is in violation of the German commercial treaty with the United States. Though the provision is understood to have been eliminated from the bill by the Senate committee the German attitude is not to be convinced of its elimination before the bill is signed by President Wilson.

It is contended in Berlin that the San Francisco exposition after all is only a local and not a national affair. In support of this contention the Germans are pointing to the fact that though the San Francisco exposition claims to be a national event the United States Government has not appropriated a dollar toward exhibiting at San Francisco or given any financial assistance to the California bankers.

The Germans are using the fact that Great Britain has not accepted formally the invitation to join in the exposition. Regarding Great Britain as their chief commercial rival the German Government and commercial interests say that if England does not bother to exhibit at San Francisco there is no reason why Germany should.

It is understood also that another factor in Germany's reluctance to participate is the uncertainty as to what will be the outcome of the controversy over the British protest against exemption of American vessels from payment of tolls in passing through the Panama Canal.

A decision of this controversy in favor of the British contention would do much, it is expected, to stimulate German interest in both the Panama Canal and the San Francisco celebration of the opening. It is understood that this phase of the situation is the principal reason why Great Britain has refrained from accepting the invitation of the United States.

Germany and Great Britain will have to be induced by definite concessions on the part of the United States to join in the San Francisco celebration. Russia on the other hand, probably will refuse to take part in the exposition regardless of the result of the canal controversy or the tariff legislation. Resentment over the abrogation of the treaty of 1832 and the general handling of the Jewish passport question is responsible for Russia's indifference.

Aside from France, Japan and China most of the nations that have accepted the invitation to join in the exposition are Latin American countries whose interest in the canal is a foregone conclusion. The relative importance with which European and Latin American participation is regarded was demonstrated by the sending of a commission of high officials to present the American invitation to the Governments of Europe. No such commission was sent to Latin America.

Resentment against the United States is quite general in Europe regarding the 1915 exposition arrangements, according to advices received here. Americans are reminded by the Europeans that the United States Government rarely appropriates any money for participating in expositions in other parts of the world and yet expects foreign Governments to make liberal expenditures for participation in American expositions.

Hell Gate Club for Whitman.

The Hell Gate Republican Club, 344 East Eighty-sixth street, last night passed resolutions indorsing District Attorney Whitman for Mayor. The resolution was introduced by Louis Ellsworth, chairman of the meeting.